

DEPARTMENT OF WORKFORCE DEVELOPMENT
DIVISION OF WORKFORCE SOLUTIONS
ADMINISTRATOR'S MEMO SERIES

NOTICE 01-06

DATE: 04/20/2001
DISPOSAL DATE:12/31/2003

RE: COMMUNITY
REINVESTMENT (CR)
FUNDS--INSTRUCTIONS
FOR IDENTIFYING FUNDS
TO CARRY OVER INTO
2002 AND APPLYING FOR
EMERGENCY NEEDS
FUNDS GENERATED
THROUGH THE CR
CARRY-OVER PROCESS

To: W-2 Agency Directors
CR Agency Directors

From: Eric Baker
Administrator

PURPOSE

This memorandum addresses the following:

1. updated instructions regarding Community Reinvestment (CR) funds earned under the 1997-1999 Wisconsin Works Implementation Contract and how a current or former W-2 agency may carry over a portion of its unspent CR funds into 2002;
2. information on how an agency administering W-2 during the 2002-2003 contract year may apply for a portion of an emergency needs fund made up of 25% of the CR funds local agencies designate to carry over; and
3. information on how the Department will allocate these emergency needs funds.

This memo modifies the December 31, 2001, deadline for spending CR funds, described in Administrator's Memo 99-25, by providing a means for an agency to extend that deadline to June 30, 2002.

CR CARRY-OVER AND THE EMERGENCY NEEDS FUND

An agency that earned CR funding under a 1997-1999 Wisconsin Works (W-2) Implementation Contract, that administered a CR program under contract with the Department during 2000-

2001, and that expects to have CR funds remaining at the end of 2001 may designate a portion of those funds to carry over into 2002.

Of the funds an agency designates for such carry-over:

- 75% will be available to that agency during the period January 1, 2002, through June 30, 2002, to continue previously approved CR projects and to supplement an agency's W-2 2002-2003 contract, if it has one.
- 25% will be relinquished by the agency and held by the Department for later reallocation, solely at the Department's discretion, to W-2 agencies facing emergency needs. Funds distributed under this process may be used only to supplement the W-2 contract.

For current W-2 agencies, a Contract Amendment to their Wisconsin Works (W-2) and Related Programs Implementation Contract for 2000-2001 (see attached sample) will be the mechanism through which the W-2 agency can exercise its option to carry CR funds over into 2002 on the terms described in this memo. For current Community Reinvestment (CR) agencies (i.e., agencies that operated W-2 during the 1997-1999 period but not during the 2000-2001 period), a Contract Amendment to their 2000-2001 Community Reinvestment Contract will be the mechanism through which the CR agency can exercise its option to carry CR funds over into 2002 on the terms described in this memo.

APPLYING FOR EMERGENCY NEEDS FUNDS

The emergency needs fund, made up of the 25% share of each agency's carried-over CR funds, will be held by the Department and will be distributed at the discretion of the Department to W-2 agencies through an application process. Any W-2 agency, whether or not it has opted to carry over CR funds, may apply for a portion of these emergency needs funds provided that agency is not under a Corrective Action Plan for inappropriate use of funds. However, because these funds are intended as a funding source of last resort, the Department expects any W-2 agency requesting funds to have nearly exhausted all other available resources. Furthermore, the Department does not expect to receive requests for emergency needs funds before January 1, 2003.

A W-2 agency may request emergency needs funds by submitting a letter to its Department Contract Manager. The letter should detail the unexpected or extraordinary challenges confronting the W-2 agency and the specific funding needs these new challenges create. The letter should also describe the W-2 agency's efforts to meet these challenges through previously allocated funds and other available resources, and should document the steps the W-2 agency has taken to review and modify its W-2 plan accordingly.

CONSIDERATIONS IN ALLOCATING EMERGENCY NEEDS FUNDS

In allocating emergency needs funds, the Department will give priority to W-2 agencies it considers most in need. Examples of circumstances the Department will consider in evaluating a W-2 agency's emergency needs include, but are not limited to, the following:

- A significant increase in the unemployment rate in the W-2 agency's service area
- Unexpected business closures that substantially reduce area employment and job placement opportunities

- Significant increases in child welfare activity that produce documented increases in W-2 program implementation costs
- Litigation that results in significant additional W-2 cash payments (such as court-ordered retroactive payments)
- Other dramatic, unanticipated increases in an agency's W-2 caseload or case-related workload

The Department will notify the W-2 agency of its decision within thirty (30) days of receiving a completed request.

If you have any questions, please contact the Department's Contract Manager for your W-2 agency.

REGIONAL OFFICE CONTACT: Area Administrator (Department's Contract Manager)

Attachments